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**ENGLAND ECONOMIC AND INDUSTRIAL
DEVELOPMENT DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2000

Under provisions of state law, this report is a public document. A copy of the report is to be submitted to the entity and other public officials. The report is available for review at the Baton Rouge office of the Louisiana Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12-20-00

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November 20, 2000

INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
England Economic and Industrial Development District

We have audited the accompanying general purpose financial statements of the England Economic and Industrial Development District, as of and for the year then ended June 30, 2000. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurances about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.


In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the England Economic and Industrial Development District, as of June 30, 2000 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2000, on our consideration of the England Economic and Industrial Development District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the England Economic and Industrial Development District. Such information has been subjected to the auditing

England Economic and Industrial Development District
November 20, 2000

procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Combined Balance Sheet - All Fund Types and Account Group
June 30, 2000

	<u>Governmental Funds</u>		<u>Account Groups</u>		<u>Total</u>
	<u>General</u>	<u>Capital Projects</u>	<u>General Fixed Assets</u>	<u>General Long-term Debt</u>	<u>(Memorandum Only)</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 2,147,472	\$ 6,924,952	\$ -	\$ -	\$ 9,072,424
Receivables	106,442	391,567	-	-	498,009
Other assets	16,505	-	-	-	16,505
General fixed assets	-	-	22,641,255	-	22,641,255
Amount to be provided for retirement of long-term debt	-	-	-	945,667	945,667
Total assets	\$ 2,270,419	\$ 7,316,519	\$ 22,641,255	\$ 945,667	\$ 33,173,860
<u>Liabilities and fund equity</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 156,633	\$ 303,026	\$ -	\$ -	\$ 459,659
Deferred revenue	47,072	-	-	-	47,072
Tenant deposits	62,268	-	-	-	62,268
Accrued tenant rebates	78,572	-	-	-	78,572
Compensated absences payable	-	-	-	31,667	31,667
Certificates of indebtedness	-	-	-	914,000	914,000
Total liabilities	344,545	303,026	-	945,667	1,593,238
<u>Fund equity:</u>					
Investment in general fixed assets	-	-	22,641,255	-	22,641,255
Fund balance - Designated	1,925,874	7,013,493	-	-	8,939,367
Total fund equity	1,925,874	7,013,493	22,641,255	-	31,580,622
Total liabilities and fund equity	\$ 2,270,419	\$ 7,316,519	\$ 22,641,255	\$ 945,667	\$ 33,173,860

The accompanying notes are an integral part of the financial statements.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
All Governmental Fund Types
For the year ended June 30, 2000

	General	Capital Projects	Total (Memorandum Only)
<u>Revenues:</u>			
Grants	\$ -	\$ 1,913,101	\$ 1,913,101
Lease revenue and related fees	6,707,494	-	6,707,494
Interest	448,990	-	448,990
Passenger facility charges	-	293,539	293,539
Miscellaneous	32,486	7,725	40,211
Total revenues	<u>7,188,970</u>	<u>2,214,365</u>	<u>9,403,335</u>
<u>Expenditures:</u>			
Current:			
Administration	791,153	-	791,153
Operations	3,619,428	-	3,619,428
Economic development	150,188	-	150,188
Debt service	204,920	-	204,920
Capital outlay	-	2,763,868	2,763,868
Total expenditures	<u>4,765,689</u>	<u>2,763,868</u>	<u>7,529,557</u>
Excess (deficiency) of revenues over expenditures	<u>2,423,281</u>	<u>(549,503)</u>	<u>1,873,778</u>
<u>Other financing sources (uses):</u>			
Operating transfers in	-	3,234,277	3,234,277
Operating transfers out	(3,234,277)	-	(3,234,277)
Total other financing sources (uses)	<u>(3,234,277)</u>	<u>3,234,277</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(810,996)	2,684,774	1,873,778
Beginning fund balance (deficit)	<u>2,736,870</u>	<u>4,328,719</u>	<u>7,065,589</u>
Ending fund balance (deficit)	<u>\$ 1,925,874</u>	<u>\$ 7,013,493</u>	<u>\$ 8,939,367</u>

The accompanying notes are an integral part of the financial statements

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

Combined Statement of Revenues, Expenditures and Changes in Fund Balance

General Fund - Budget (GAAP Basis) and Actual

For the year ended June 30, 2000

	Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Lease revenue and related fees	\$ 6,718,819	\$ 6,707,494	\$ (11,325)
Interest	433,705	448,990	15,285
Miscellaneous	30,466	32,486	2,020
Total revenues	<u>7,182,990</u>	<u>7,188,970</u>	<u>5,980</u>
<u>Expenditures:</u>			
Current:			
Administration	829,769	791,153	38,616
Operations	3,665,830	3,619,428	46,402
Economic development	148,356	150,188	(1,832)
Debt service	204,920	204,920	-
Total expenditures	<u>4,848,875</u>	<u>4,765,689</u>	<u>83,186</u>
Excess (deficiency) of revenues over expenditures	<u>2,334,115</u>	<u>2,423,281</u>	<u>89,166</u>
<u>Other financing sources (uses):</u>			
Operating transfers out	(3,234,277)	(3,234,277)	-
Total other financing sources (uses)	<u>(3,234,277)</u>	<u>(3,234,277)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(900,162)	(810,996)	89,166
Beginning fund balance (deficit)	<u>2,736,870</u>	<u>2,736,870</u>	<u>-</u>
Ending fund balance (deficit)	<u>\$ 1,836,708</u>	<u>\$ 1,925,874</u>	<u>\$ 89,166</u>

The accompanying notes are an integral part of the financial statements

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

England Economic and Industrial Development District (the District) was created by the State Legislature for the following purposes:

- Accepting title from the United States of America to property included in the England Air Force Base.
- Utilizing that and other property, and all assistance available from the United States government and all other sources, to replace and enhance the economic benefits generated by the former air base with diversified activities.

The District encompasses all of Rapides Parish and its boundaries are identical to the Parish boundaries. The District is governed by a Board of Commissioners that is appointed by various governmental units located within Rapides Parish.

The District is governed by a Board of Commissioners and has the power to incur debt and issue revenue and general obligation bonds, certificates of indebtedness, anticipation notes, refunding bonds, and the power of taxation, subject to the limitations provided in the Act.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations) constitutes GAAP for governmental units.

The following is a summary of certain significant accounting policies and practices:

Financial Reporting Entity

The District is considered a legally separate stand-alone government as defined by Generally Accepted Accounting Principles. As a stand-alone government, for reporting purposes, the District is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the District), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the District for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the District to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.
2. Organizations for which the District does not appoint a voting majority but are fiscally dependent on the District.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria presented above, the District has no component units.

Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, expenses, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the District:

Governmental Funds

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Project Funds - Account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Account Groups

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the District.

General Long-Term Debt Account Group - This group of accounts is used to account for long-term debt of the District.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

Basis Of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Expenditures are recognized when the related fund liability is incurred, except for principal and interest on long-term debt, which is recognized in the period payment becomes due.

Budgets

The Board of Commissioners adopts an annual operating budget of proposed expenditures and the means of financing them for its general fund in accordance with state law. As allowed by state law, the budgets may be amended by the Board of Commissioners as conditions change. The budgets are prepared in accordance with generally accepted accounting principles and all unexpended appropriations expire at the close of the fiscal year.

Project length financial plans are adopted for capital projects funds. Because these non operating budgets primarily serve a management control function and related appropriations are continuing in nature, no comparison between budgeted and actual amounts for funds budgeted on this basis is provided in this document.

Although budgets are adopted on a line item basis, the overall level of control is on a cost center basis, i.e. administration, operations and economic development.

Compensated Absences

Full time and regular part-time employees earn vacation at rates that vary depending of length of service. A limited amount of unused vacation may be carried forward to future years. The amount of unused vacation an employee is eligible to carry forward varies depending on length of service; however, upon termination no employee can be paid for more than 320 hours.

Amounts of unused vacation that are not expected to be liquidated with expendable available financial resources are recorded in the General Long-Term Debt Account Group. An expenditure is reported when the unused vacation is actually liquidated.

Fixed Assets:

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Since the District does not capitalize infrastructures, these items are excluded from the general fixed assets account group. No depreciation has been provided on general fixed assets. General fixed assets that are purchased or constructed by the District are reported at historical cost, including any interest incurred during construction.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

Donated fixed assets are reported at estimated fair value at the time of receipt. Fair market value for donated property has been estimated as follows:

- **Land** – An appraisal of land surrounding the property occupied by the District has been used as a basis for estimating the value of donated land.
- **Buildings** – Rental income generated by buildings donated to the District has been used as a basis for determining the value of the property.

Interfund Receivables And Payables:

Interfund receivables and payables occur when transactions between individual funds are executed. These balances are typically liquidated within one year of origination. The interfund receivables and payables are not eliminated in the preparation of combined financial statements.

Cash And Cash Equivalents:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments

Fund Equity:

Reserves, if any, represent those portions of fund equity legally segregated for a specific future use. Designations, if any, represent tentative plans for future use of financial resources.

Total Columns On Combined Statements - Overview

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in fund balance in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Encumbrance Accounting

Purchase orders, contracts, and other commitments to engage in future expenditures are referred to as encumbrances. Encumbrances are recorded in order to reserve a portion of the applicable appropriation for the anticipated expenditure; however, all outstanding encumbrances lapse at year end. Since encumbrances do not represent liabilities or current expenditures, encumbrances are not reported in the accompanying financial statements.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - CASH

Amounts reported on the accompanying balance sheet as cash and cash equivalents are composed of the following amounts:

Petty Cash	\$ 950
Cash in bank, with a collected bank balance of \$62,895 protected from risk by federal deposit insurance and pledged securities with a market value of \$184,065 held by the custodial bank in the name of the fiscal agent bank (GASB Category 3)	(263,482)
Repurchase agreement with a financial institution dated June 30, 2000 maturing July 3, 2000. The repurchase agreement is classified as an uninsured, unregistered instrument and it is secured by U.S. Government Agency securities with a market value of \$9,521,906 held by the financial institution in its name.	9,334,956
	<u>\$ 9,072,424</u>

Even though the securities pledged to secure bank deposits are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - RECEIVABLES

Accounts receivable at June 30, 2000 are presented as follows:

	<u>General</u>	<u>Capital Projects</u>
Accounts Receivable	\$ 205,317	\$ 50,004
Allowance for Doubtful Accounts	(98,875)	---
Accounts Receivable Net	106,442	50,004
Intergovernmental Grants Receivables:		
Federal Aviation Administration	---	71,429
State of Louisiana	---	270,134
Total Receivables	<u>\$ 106,442</u>	<u>\$ 391,567</u>

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 4 – GENERAL FIXED ASSETS

A summary of the changes in General Fixed Assets for the year are as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Land	\$ 2,553,528	\$ —	\$ —	\$ 2,553,528
Vehicles, Machinery & Equipment	2,035,649	120,650	—	2,156,299
Buildings & Improvements	13,451,989	909,061	—	14,361,050
Capital Improvements Plans & Studies	1,293,273	—	—	1,293,273
Construction in Progress	832,375	2,352,989	(908,259)	2,277,105
Total General Fixed Assets	\$ 20,166,814	\$ 3,382,700	\$ (908,259)	\$ 22,641,255

As discussed in Note 1, fixed assets donated to the District are recorded at estimated fair market value. Donated property reported at estimated fair value in the general fixed asset account group is summarized as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Land	\$ 2,020,268	\$ —	\$ —	\$ 2,020,268
Buildings & Improvements	5,830,000	—	—	5,830,000
Total Donated Property	\$ 7,850,268	\$ —	\$ —	\$ 7,850,268

NOTE 5 – CHANGES IN GENERAL LONG-TERM DEBT

Changes in the District's general long-term debt for the year ended June 30, 2000 are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Certificates of Indebtedness	\$ 1,058,000	\$ —	\$ 144,000	\$ 914,000
Compensated Absences	27,645	4,022	—	31,667
Total general long-term debt	\$ 1,085,645	\$ 4,022	\$ 144,000	\$ 945,667

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

NOTE 6 – CERTIFICATES OF INDEBTEDNESS

The District has issued certificates of indebtedness which are secured by and payable from a pledge of the excess of annual revenues above statutory, necessary and usual charges incurred by the District. Certificates of indebtedness outstanding at June 30, 2000 are described as follows:

\$311,000 Certificate of Indebtedness, Series 1993 dated October 12, 1993, bearing interest at a rate of 6.5%. Principle is payable in annual installments ranging from \$23,000 to \$40,000, with the final installment due July 1, 2003.	\$ 114,000
\$1,200,000 Certificate of Indebtedness, Series 1995 dated January 16, 1996, bearing interest at a rate of 6.0%. Principle is payable in annual installments ranging from \$90,000 to \$115,000, with the final installment due December 1, 2005.	800,000
<u>Total Certificates of Indebtedness</u>	<u>\$ 914,000</u>

A schedule of maturities of certificates of indebtedness is presented as follows:

<u>Year Ended June 30th</u>	<u>Principal</u>
2001	\$ 115,000
2002	156,000
2003	168,000
2004	175,000
2005	145,000
Thereafter	<u>155,000</u>
Total	<u>\$ 914,000</u>

NOTE 7 - RISKS MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risk of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 8 – COMMITMENTS:

Commitments are contractual obligations to engage in future expenditures. Commitments at year end are described as follows:

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

Fire Protection:

The District has entered into a contract that provides aircraft rescue, fire protection and related emergency services. The existing contract expires September 30, 2000. The District's financial commitment for the remainder of the term are presented as follows:

<u>Year Ended June 30th</u>	
2001	<u>\$ 214,050</u>
Total	<u>\$ 214,050</u>

Construction:

The District is subject to obligations imposed by various construction contracts; however, the cost of fulfilling these obligations is eligible for reimbursement under the terms of various grant agreements. Due to the availability of grant funds, construction contracts do not represent a significant commitment of existing resources.

NOTE 9 – CONTINGENCIES:

Like most governmental units with extensive and diverse operations, the District is occasionally named as a defendant in litigation. The ultimate outcome of litigation that is pending or anticipated cannot be estimated at the present time.

NOTE 10 – LEASES:

As mentioned previously, the District is responsible for utilizing the property formerly known as England Air Force Base. In order to fulfill this responsibility, the District has executed a lease agreement with the United States Air Force. Furthermore, in order to replace and enhance the economic benefits generated by the former air base, the District leases a portion of the property to tenants in a manner the is expected to have a positive effect on the local economy. Details regarding the District's leasing activities are provided as follows:

Lease Agreement with the United States Air Force:

Title to a portion of the property formally known as England Air Force Base has been granted to the District. The District occupies the remainder of the property under a lease agreement with the United States Air Force. As consideration for the rights received under the lease, the District is required to maintain the property, provide security and furnish fire protection.

The lease has an initial term of fifty-five (55) years; however, the District expects to receive title to the remaining leased property before the initial term expires. If necessary, the District has an option to renew the lease for an additional term upon expiration of the initial term. Furthermore, either party may cancel the lease without cause provided the party canceling the lease furnishes thirty (30) days written notice.

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2000

Leasing Operations

One of the District's primary activities and sources of income is leasing property to various tenants. Since most of the property utilized in this activity is subject to the District's lease arrangement with the United States Air Force, its lease agreements with the tenants are structured as subleases. The sublease terms include provisions for automatic termination of the subleases if the primary lease with the Air Force is terminated.

Future minimum rentals on non-cancelable subleases for the next five years and in aggregate are presented as follows:

<u>Year Ended June 30th</u>	<u>Future Minimum Lease Payments</u>
2001	\$ 3,632,775
2002	2,311,316
2003	1,716,946
2004	1,390,860
2005	398,583
<u>Total</u>	<u>\$ 9,450,480</u>

Contingent rental included in the accompanying financial statements as lease revenues and related fees are summarized as follows:

Concession Fees Based on Car Rental Receipts	\$ 262,267
Concession Fees Based on Fuel Flow	268,227
Landing Fees	96,620
Miscellaneous	37,981
<u>Total Contingent Rentals</u>	<u>\$ 665,095</u>

NOTE 11 – DESIGNATED FUND BALANCES:

Designations represent plans for the future use of financial resources. The Board of Commissioners has designated the general fund balance for use in the following manner:

Capital Improvements:	
Airside (Airport Operations Areas)	\$ 797,134
Landside (Non Airport Property)	---
<u>Operating Reserve</u>	<u>1,128,740</u>
<u>Total Designated Fund Balance</u>	<u>\$ 1,925,874</u>

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 12 – FEDERALLY ASSISTED PROJECTS:

The District is currently engaged in the completion of various construction projects that are partially funded by the Airport Improvement Program. Activity related to these projects is summarized as follows:

<u>AIP Number</u>	<u>Description</u>	<u>Current Expenditures</u>	<u>Previous Expenditures</u>	<u>Total Expenditures</u>
3-22-0003-01	Airfield Lighting	\$ 349,329	\$ 192,602	\$ 541,931
3-22-0003-02	Sewer Line	139,986	---	139,986
3-22-0003-02	Terminal Complex	271,735	116,091	387,826
3-22-0003-05	North Ramp	193,916	18,492	212,408
3-22-0003-09	South Ramp	89,555	562	90,117
3-22-0003-03	Airfield Drainage	149,855	6,383	156,238
3-22-0003-08	Noise Study	8,878	676	9,554
		<u>\$1,203,254</u>	<u>\$ 334,806</u>	<u>\$ 1,538,060</u>

NOTE 13 – CONDUIT DEBT OBLIGATIONS:

The term conduit debt obligations refers to certain limited-obligation debt instruments issued by the District for the express purpose of providing capital financing for a specific third party that is not a part of the District's financial reporting entity. Although conduit debt obligations bear the name of the District, the District has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf the debt instruments are issued. Accordingly, the conduit debt and the related assets are excluded from the District's balance sheet. A schedule of maturities for existing conduit debt as been presented as follows:

<u>Year Ended June 30th:</u>	<u>Boise Cascade</u>	<u>TransAmerican Waste Industries</u>	<u>Total</u>
2001	\$ ----	\$ 80,000	\$ 80,000
2002	----	90,000	90,000
2003	----	100,000	100,000
2004	----	100,000	100,000
2005	----	100,000	100,000
Thereafter	20,000,000	1,800,000	21,800,000
	<u>\$ 20,000,000</u>	<u>\$ 2,270,000</u>	<u>\$ 22,270,000</u>

Details regarding the various conduit debt obligations issued by the district are provided as follows:

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2000

Boise Cascade:

The District issued \$20,000,000 in Taxable Revenue Bonds for Boise Cascade Corporation on March 19, 1996. These bonds are due January 1, 2011, with an interest rate of 7.25%. The bonds are not an indebtedness or pledge of the District. They are limited obligations of the District. The purpose of these bonds is to finance a portion of the cost of acquiring, constructing, equipping and installing facilities for use as a laminated veneer lumber facility located in Rapides Parish. The trustee is First Alabama Bank in Mobile, Alabama. Principal and interest are payable solely from revenues derived from the lease or sale of the Project. Principle and interest is paid by Boise Cascade and Boise Cascade will pay all operating cost of the plant. Rent for the project is equal to the amount required to meet the payment of principal and is paid directly to the trustee by Boise Cascade. Bonds were issued in exchange for the land and equipment located at this facility. The District owns this plant until the bonds are paid off.

TransAmerican Waste Industries, Inc:

The District also issued \$2,000,000 Solid Waste Revenue Bonds for TransAmerican Waste Industries, Inc. on July 1, 1995, which are due July 1, 2015 and another \$500,000 Solid Waste Revenue Bonds For TransAmerican Waste Industries, Inc, which are due July 1, 2002. The interest rates for these bonds is 8.25% and 12.00%, respectively. These bonds are not an indebtedness or pledge of the District. They are limited obligations of the District. The purpose of these bonds is to finance the acquisition, construction, improvement, and rehabilitation of a solid waste transfer and disposal facility on Highway 165 near Alexandria. The Trustee is AmSouth Bank of Alabama. TransAmerican will pay to the Trustee all principal and interest due and TransAmerican will pay all operating cost.

Supplemental Information

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Schedule of Current General Fund Expenditures by Department
For the year ended June 30, 2009

	Administration	Operations						Economic Development	Total
		General	Landside	Vehicle	Public Safety	Tenant Facility Maintenance	Air Operations		
Expenditures:									
Salaries and Benefits	\$ 333,646	\$ 108,228	\$ 257,783	\$ 57,904	\$ -	\$ -	\$ 262,169	\$ 75,315	\$ 1,095,045
Professional Services	125,727	-	-	-	-	-	-	-	125,727
Property Services:									
Utilities	-	471,637	-	-	-	-	-	-	471,637
Waste Collection	-	-	32,400	-	-	-	-	-	32,400
Maintenance	-	13,578	248,401	97,965	-	163,351	45,356	-	568,651
Fire Protection	-	-	-	-	339,140	-	539,821	-	878,961
Security	-	-	-	-	276,376	-	96,687	-	373,063
Terminal Operations	-	-	-	-	-	-	101,192	-	101,192
Other Purchased Services:									
Insurance	116,549	-	-	-	-	-	-	-	116,549
Telephone	11,826	12,013	-	-	-	-	-	-	23,839
Contract Labor	30,491	210,358	-	-	-	-	55,742	-	296,591
Miscellaneous	17,362	-	-	-	-	-	-	-	17,362
Supplies	43,247	4,838	47,747	33,408	-	-	69,255	-	198,495
Other	112,305	74,079	-	-	-	-	-	74,873	261,257
Total Expenditures	\$ 791,153	\$ 894,731	\$ 586,331	\$ 189,277	\$ 615,516	\$ 163,351	\$ 1,170,222	\$ 150,188	\$ 4,560,769

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance

Capital Projects Fund

For the year ended June 30, 2000

Projects Funded by the Airport Improvement Program (AIP)

	Sewer Line	Airfield	Terminal	North	South	Airfield	Noise	Total AIP	Local	Total
Improvements	Lighting	Complex	Ramp	Ramp	Drainage	Study	Projects	Projects	Projects	Projects
Revenues:										
Grants:										
Federal Aviation Administration	\$ 125,988	\$ 314,395	\$ 161,080	\$ 174,524	\$ 80,599	\$ 134,896	\$ 7,989	\$ 999,471	\$ -	\$ 999,471
State of Louisiana:										
Dept. of Transportation & Dev.	-	34,934	17,897	19,392	8,956	14,989	889	97,057	-	97,057
Dept of Economic Development	-	-	-	-	-	-	-	-	644,773	644,773
Capital Outlay	-	-	-	-	-	-	-	-	156,800	156,800
Other	-	-	-	-	-	-	-	-	15,000	15,000
Passenger Facility Charge	-	-	-	-	-	-	-	-	293,539	293,539
Miscellaneous	-	-	-	-	-	-	-	-	7,725	7,725
Total revenues	<u>125,988</u>	<u>349,329</u>	<u>178,977</u>	<u>193,916</u>	<u>89,555</u>	<u>149,885</u>	<u>8,878</u>	<u>1,095,528</u>	<u>1,117,837</u>	<u>2,214,365</u>
Expenditures:										
Capital outlay										
AIP Projects	139,986	349,329	271,735	193,916	89,555	149,885	8,878	1,203,284	-	1,203,284
Time Trend Building Renovation	-	-	-	-	-	-	-	-	652,498	652,498
Golf Course Expansion	-	-	-	-	-	-	-	-	877,098	877,098
Administration Building Rehab.	-	-	-	-	-	-	-	-	9,727	9,727
Miscellaneous	-	-	-	-	-	-	-	-	21,261	21,261
Total expenditures	<u>139,986</u>	<u>349,329</u>	<u>271,735</u>	<u>193,916</u>	<u>89,555</u>	<u>149,885</u>	<u>8,878</u>	<u>1,203,284</u>	<u>1,560,584</u>	<u>2,763,868</u>
Excess (deficiency) of revenues over expenditures	<u>(13,998)</u>	<u>-</u>	<u>(92,758)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(106,756)</u>	<u>(442,747)</u>	<u>(549,503)</u>
Other financing sources (uses):										
Operating transfers in	13,998	-	92,758	-	-	-	-	106,756	3,127,521	3,234,277
Total other financing sources (uses)	<u>13,998</u>	<u>-</u>	<u>92,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,756</u>	<u>3,127,521</u>	<u>3,234,277</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,684,774</u>	<u>2,684,774</u>
Beginning fund balance (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,328,719</u>	<u>4,328,719</u>
Ending fund balance (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,013,493</u>	<u>\$ 7,013,493</u>

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT

Schedule of Expenditures of Federal Financial Awards

For the Year Ended June 30, 2000

<u>Federal Grantor / Pass-through Grantor / Program</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
US Department of Transportation:		
Direct Programs:		
Airport Improvement Program	20.106	\$ 999,471
		<hr/>
Total Expenditures of Federal Awards		<u>\$ 999,471</u>

Note:

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organization*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Other Reports

ROZIER, HARRINGTON & MCKAY

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November 20, 2000

**Independent Auditors' Report On Compliance And
On Internal Control Over Financial Reporting Based On An Audit
Of General Purpose Financial Statements Performed In
Accordance With Government Auditing Standards**

The Board of Commissioners
England Economic and Industrial Development District

We have audited the general purpose financial statements of the England Economic and Industrial Development District, as of and for the year ended June 30, 2000 and have issued our report thereon dated November 20, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the England Economic and Industrial Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the England Economic and Industrial Development District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters

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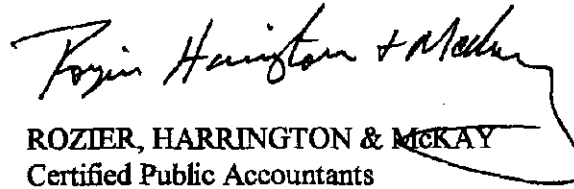
England Economic and Industrial Development District

November 20, 2000

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involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

ROZIER, HARRINGTON & MCKAY

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November 20, 2000

Independent Auditors' Report On Compliance With Requirements Applicable To Each Major Program And Internal Control Over Compliance In Accordance With OMB Circular A-133

The Board of Commissioners
England Economic and Industrial Development District

Compliance

We have audited the compliance of the England Economic and Industrial Development District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. The England Economic and Industrial Development District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the England Economic and Industrial Development District's management. Our responsibility is to express an opinion on the England Economic and Industrial Development District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the England Economic and Industrial Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the England Economic and Industrial Development District's compliance with those requirements.

In our opinion the England Economic and Industrial Development District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

-Members-
American Institute of Certified Public Accountants • Society of Louisiana, CPAs

England Economic and Industrial Development District

November 20, 2000

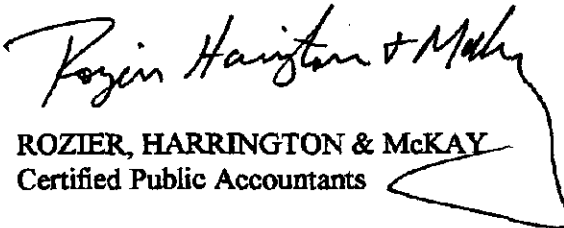
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Internal Control Over Compliance

The management of the England Economic and Industrial Development District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered The England Economic and Industrial Development District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operating of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirement of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the England Economic and Industrial Development District's management. However, this report is a matter of public record and its distribution is not limited.


ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

ENGLAND ECONOMIC AND INDUSTRIAL DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Cost
For the Year Ended June 30, 2000

PART I - SUMMARY OF AUDITORS' RESULTS:

- The Independent Auditor's Report on the financial statements for the England Economic and Industrial Development District as of June 30, 2000 and for the year then ended expressed an unqualified opinion.
- The results of the audit disclosed no instances of noncompliance that are considered to be material to the financial statements of the England Economic and Industrial Development District.
- The Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133, expressed an unqualified opinion on compliance for major programs.
- The audit did not disclose any audit findings which are required to be reported as findings and questioned cost.
- Major programs for the year ended June 30, 2000 are presented as follows:

DEPARTMENT OF TRANSPORTATION:
CFDA No. 20.106, Airport Improvement Program

- A threshold of \$300,000 was used for distinguishing between Type A and Type B programs for purposes of identifying major programs.
- The England Economic and Industrial Development District was not considered to be a low risk auditee as defined by the OMB Circular A-133

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- None.

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:

- None